



Signed and Filed: September 23, 2020

DENNIS MONTALI
U.S. Bankruptcy Judge

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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

**ORDER GRANTING SECOND
INTERIM APPLICATION OF BAKER
& HOSTETLER LLP FOR
ALLOWANCE AND PAYMENT OF
COMPENSATION AND
REIMBURSEMENT OF EXPENSES
FOR THE PERIOD JUNE 1, 2019
THROUGH SEPTEMBER 30, 2019**

[Relates to Dkt. No.: 8911, 4733]

1 **THIS MATTER** came before the Court upon the Second Interim Application for
2 Allowance and Payment of Compensation and Reimbursement of Expenses [Docket No. 4733]
3 (“**Application**”) for the period June 1, 2019 through September 30, 2019 (“**Application Period**”)
4 filed by Baker & Hostetler LLP (“**Baker**”), counsel for the Official Committee of Tort Claimants
5 (“**TCC**”), and upon the Second Amended Notice of Hearing on Interim Applications Allowing and
6 Authorizing Payment of Fees and Expenses of Multiple Fee Applicants Based Upon Compromises
7 with the Fee Examiner, filed on August 29, 2020, Docket No. 8911, of which **Exhibit A** is attached
8 hereto; seeking the entry of an order, on an interim basis, pursuant to sections 330(a) and 331 of
9 title 11, United States Code (“**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy
10 Procedure, (“**Bankruptcy Rules**”), Rule 2016-1 of the Local Bankruptcy Rules for the Northern
11 District of California (“**Local Rules**”) the Guidelines for Compensation and Expense
12 Reimbursement of Professionals and Trustees, promulgated pursuant to Local Rule 9029-1,
13 governing the narrative portion of fee applications, effective February 19, 2014 (“**Narrative**
14 **Guidelines**”), the U.S. Trustee Guidelines for Reviewing Applications for Compensation and
15 Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases,
16 effective November 1, 2013 (“**UST Guidelines**”), and the Order Pursuant to 11 U.S.C. §§ 331 and
17 105(a) and Fed. R. Bankr. P. 2016 for Authority to Establish Procedures for Interim Compensation
18 and Reimbursement of Expenses of Professionals (“**Interim Compensation Order**”) (collectively,
19 the “**Guidelines**”), for allowance of compensation for professional services and reimbursement of
20 actual and necessary expenses in connection with Baker’s representation of the TCC in the above-
21 captioned cases.

22 Based upon the Court’s review and consideration of the Application, the certification in
23 support thereof, and the other records and pleadings filed in the above-captioned chapter 11 cases,

24 **THE COURT HEREBY FINDS** that notice of and opportunity for a hearing on the
25 Application was duly given and that such notice was appropriate and sufficient; the relief requested
26 is in the best interests of the Debtors, their estates, creditors, shareholders and all parties in interest;
27 good cause exists for interim approval of the fees and expenses requested by Baker in the
28 Application, pursuant to section 330 of the Bankruptcy Code and Bankruptcy Rule 2016; and that

1 the fees and expenses requested in the Application are reasonable and have been earned; and the
2 Court having issued a Docket Order on September 18, 2020, allows the Interim Fee Applications
3 in the reduced amounts reflected in the Second Amended Notice.

4 **THE COURT FURTHER FINDS** that (i) to date, Baker has been paid \$9,195,642.60 in
5 fees and \$1,899,103.14 in expenses for the Application Period; (ii) the amount of fees and expenses
6 initially requested by Baker in the Application was \$11,494,553.25 in fees and \$1,899,103.14 in
7 expenses, (iii) the amount of fees and non-expert expenses¹ stipulated and agreed upon in the
8 Application is \$11,034,771.12 in fees and \$349,951.57 in non-expert expenses, which reflects a
9 reduction of \$459,782.13 in fees and \$14,581.32 in non-expert expenses; and (iv) the remaining
10 fees due and owing to Baker for the Application Period is \$1,824,547.20².

11 **THE COURT FURTHER FINDS** that in exchange for the reductions agreed to by Baker,
12 the Fee Examiner waives any further objections to the Application, and preserves his right to object
13 to Baker's Final Fee Application, and that Baker's agreement to the reductions is conditioned upon
14 no further or additional objections being asserted by the United States Trustee.

15 **THEREFORE, IT IS HEREBY ORDERED:**

- 16 1. The Second Interim Application is approved on an interim basis as reflected herein:
17 2. Baker is awarded interim fees and non-expert expenses during the Application
18 Period in the total amount of **\$11,384,722.69**, consisting of \$11,034,771.12 in fees and
19 \$349,951.57 in non-expert expenses.
20 3. This order is effective immediately and no stay shall apply. As such, the Debtors
21 are authorized and directed to make immediate payment to Baker in the total remaining amount
22 owed of **\$1,824,547.20** for the Application Period.

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25 ¹ "Expenses" in the Application include charges for expert witnesses that were paid directly to these expert witnesses,
26 via Baker & Hostetler, and are not included in the Fee Examiner compromise. Thus, these expert witness expenses
27 were deducted from the expense totals before calculating the compromise reduction. As a result, the expenses
28 requested reflects lower amounts than in the Application. The Fee Examiner is separately reviewing the charges
reflected for the expert witnesses.

² This amount reflects a non-expert expense compromise reduction of \$14,581.32, which is a compromise reduction
from the original amount of \$364,532.89, which was previously paid pursuant to the Interim Compensation
Procedures.

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4. The Court retains jurisdiction over any issues or disputes arising out of or relating to this Order.

*** END ORDER ***

Approved by:
/s/ Scott H. McNutt
Scott H. McNutt
Counsel to the Fee Examiner

EXHIBIT A

EXHIBIT A
to
NOTICE OF HEARING ON INTERIM AND FINAL FEE APPLICATIONS ALLOWING
AND AUTHORIZING PAYMENT OF FEES AND EXPENSES
OF MULTIPLE FEE APPLICANTS BASED ON COMPROMISES WITH THE FEE EXAMINER

(Noticed for Hearing September 22, 2020)

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Retained Professional DEBTORS	Fee Request	Filing Date	Docket No.	Request Date Range	Objection Date	Fees Requested	Expenses Requested	Total Compromised Reduction with Fee Examiner	Net Amount Claimed	Total Payments	Net Amount Outstanding
Berman & Todderud*	Second Interim	11/13/2019	4705	6/2/2019 - 9/30/2019	12/3/2019	\$375,994.00	\$5,588.33				
	Third Interim	3/11/2020	6252	10/1/2019 - 1/31/2020	3/31/2020	\$376,556.82	\$0.00				
	Fourth Interim	7/8/2020	8298	2/1/2020 - 5/31/2020	7/28/2020	\$333,492.00	\$0.00				
	Jun-Jul 1 2020	7/31/2020	8592	6/1/2020 - 7/1/2020	8/21/2020	\$45,719.20	\$0.00				
						\$1,131,762.02	\$5,588.33	\$39,000.00	\$1,098,350.35	\$853,214.91	\$245,135.44
KPMG	Third Interim	7/9/2020	8341	10/10/19 - 1/31/2020	7/29/2020	\$5,105,788.04	\$291,865.26	\$75,000.00	\$5,322,653.30	\$4,371,323.79	\$951,329.51
Latham & Watkins**	Monthly	4/30/2020	7017	11/1/2019 - 2/29/2020	5/21/2020						
	Fourth Interim	6/8/2020	7837	11/1/2019 - 1/31/2020	6/29/2020						
						\$1,589,000.00	\$18,878.16	\$37,500.00	\$1,570,378.16	\$1,290,078.16	\$280,300.00
Munger Tolles & Olson	Fourth Interim	7/15/2020	8406	2/1/2020 - 5/31/2020	7/28/2020	\$10,143,473.50	\$672,541.33	\$330,000.00	\$10,486,014.83	\$5,440,065.78	\$5,045,949.05

Retained Professional UNSECURED CREDITORS	Fee Request	Filing Date	Docket No.	Request Date Range	Objection Date	Fees Requested	Expenses Requested	Total Compromised Reduction with Fee Examiner	Net Amount Claimed	Total Payments	Net Amount Outstanding
Centerview Partners***	Fourth Interim	7/15/2020	8412	2/1/2020 -6/30/2020	8/5/2020	\$1,250,000.00	\$9,722.68	\$1,236.01	\$1,258,486.67	\$409,722.68	\$848,763.99
FTI Consulting****	Fourth Interim	7/15/2020	8414	2/1/2020 - 5/31/2020	8/5/2020	\$2,428,251.00	\$16,780.69	\$2,532.54	\$2,442,499.15	\$1,959,381.49	\$483,117.66

*Regarding Berman & Todderud, Court approval of this compromise constitutes approval of this firm's Final Fee Application [Docket No. 8624] because the time periods subject to this compromise as well as a prior Court approved compromise cover all time and expenses subject to the Final Fee Application.

**As regards Latham & Watkins, this compromise relates to compensation and expenses sought for the period from November 1, 2019 to February 29, 2020, which is covered by the monthly fee application [Docket No. 7017] filed on April 30, 2020. The First Interim Fee Application filed by Latham & Watkins LLP [Docket No. 7837] covers the period from November 1, 2019 through January 31, 2020. Accordingly, reference to "First Interim" is a reference to November 1, 2019 through February 29, 2020, which is the period covered by the compromise.

*** As regards Centerview, this compromise concerns only expenses. Under Centerview's employment order, any objection to fees may only be made in response to final fee applications.

****As regards FTI Consulting, the indicated reduction is in addition to FTI's voluntary reduction of \$132,543.00 as set forth in the FTI Fourth Interim Fee Application.

Retained Professional TORT CLAIMANTS	Fee Request	Filing Date	Docket No.	Request Date Range	Objection Date	Fees Requested	Expenses Requested	Total Compromised Reduction with Fee Examiner	Net Amount Claimed	Total Payments	Net Amount Outstanding
Baker & Hostetler*****	Second Interim	11/14/2019	4733	6/1/2019 - 9/30/2019	12/4/2019	\$11,494,553.25	\$ 1,899,103.14	\$ 474,363.45	\$12,919,292.94	\$ 11,094,745.74	\$ 1,824,547.20
	Third Interim	3/13/2020	6286	10/1/2019 - 1/31/2020	4/2/2020	\$15,252,640.50	\$ 3,574,530.67	\$ 634,315.48	\$18,192,855.69	\$ 15,776,643.07	\$ 2,416,212.62
	Fourth Interim	7/15/2020	8403	2/1/2020 - 5/31/2020	8/4/2020	\$14,563,600.00	\$ 1,847,978.50	\$ 592,105.85	\$15,819,472.65	\$ 13,498,858.50	\$ 2,320,614.15
						\$41,310,793.75	\$ 7,321,612.31	\$ 1,700,784.78	\$46,931,621.28	\$ 40,370,247.31	\$6,561,373.97
Lincoln Partners	Fourth Interim	7/15/2020	8402	1/1/2020 - 5/31/2020	8/4/2020	\$8,766,589.50	\$41,284.46	\$225,000.00	\$8,582,873.96	\$2,564,736.19	\$6,018,137.77
Lynn A. Baker, Esq.	First Interim	3/16/2020	6325	1/27/2020 -1/31/2020	4/6/2020	\$720.00	\$0.00				
	Second Interim	7/14/2020	8396	2/1/2020 -5/31/2020	8/3/2020	\$69,120.00	\$0.00				
						\$69,840.00	\$0.00	\$2,500.00	\$67,340.00	\$55,870.00	\$11,470.00
Trident DMG LLC	Third Interim	7/14/2020	8395	2/1/2020 0 5/31/2020	8/3/2020	\$140,000.00	\$3,234.40	\$0.00	\$143,234.40	\$ 115,234.40	\$28,000.00

***** As regards Baker & Hostetler, this firm's compromise is to reduce the firm's fees and expenses by 4%. Baker and Hostetler's "Expenses" in the Interim Applications include charges for expert witnesses that were paid directly to these expert witnesses and not to Baker & Hostetler and are not included in the compromise. Thus, these expert witness charges were deducted from the Baker & Hostetler expense totals before calculating the 4% reduction. As a result, the Expenses Requested column reflects lower amounts than in the interim applications. The Fee Examiner is separately reviewing the charges reflected for the expert witness charges.